

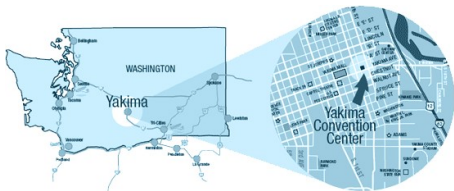
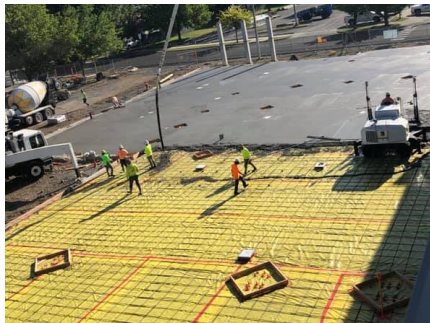


CITY OF
Yakima



October 12, 2020

2021 Policy Issues



POLICY ISSUES

Policy issues are proposals or requests for services or expenditures that require city council policy-level prioritizing. Policy decisions involve weighing the comparative benefits or consequences against funding available in order to maximize overall benefit to citizens within available resources. Similarly, decisions that weigh service delivery versus capital expenditures versus fiscal sustainability are also made by the governing body. Discussion is required on these or other options for inclusion in the [2021](#) Budget. Further study or amendment of budget options may be considered until council adoption of the [2021](#) Budget in December.

Policy issues are not funded, not incorporated into the Preliminary Budget, subject to evaluation by the governing body, direction to staff or for further possible action.

POLICY ISSUE SUMMARY

		Expenditure		Budgeted	
	Fund		Revenue	2021	Page
City-Wide					
Perpetual Vehicle Replacement Police & Fire	General	\$	1,920,000	Unfunded	3
Long-term Millsite Development Funding	General		1,000,000	Unfunded	9
Solid Waste Collection Rate Increase	Refuse		511,000	Unfunded	10
Fund Balance Policy	All		—	N/A	22

PERPETUAL VEHICLE REPLACEMENT

COUNCIL PRIORITY

- Fiscal Sustainability
- Public Safety

NARRATIVE

The purpose of this policy issue is to work toward secure annual budget funding in perpetuity.

While there are separate funds for Police and Fire vehicle replacement, they are funded by General Fund revenue. The number of vehicles makes external financing unnecessary; scheduled vehicle purchases occur every year so interest expense is avoidable by a pay-as-we-go system.

Deferring vehicle replacements in recent past years is not sustainable; deferring in the 2020 budget was a one-time strategy. A material improvement is needed in the funding of replacement vehicles, city-wide, and to transparently inform current budget decision-making as it impacts future budgets and planning.

- Police Department Perpetual Replacement - \$1,120,000 per year
- Fire Department Vehicle Perpetual Replacement \$800,000 per year

In past years, some vehicle replacement has been deferred, funded via a transfer from General Fund. As expenses have been squeezed every year, vehicle replacement transfers have decreased, stretching the useful lives of vehicles. Both fire Department and Police Department vehicles are segregated into separate replacement funds, however debt has largely funded replacements. The figures above represent how much should be spent pay-as-we-go to purchase replacements continually, or saved if not fully spent in each year.

Per City Charter §3.15.030, the Equipment Rental Fund is required to replace all vehicles except airport and fire. The funding formulas as defined in §3.15.030 have been deprioritized or deferred, so the needed correction will affect all General Fund departments to quantify the correction needed.

The forecasting and budget calculation requires a complete inventory of vehicles, by fund, by department, with acquisition dates, estimating the real-life number of years each vehicle will last, and maintaining extended-life vehicles. Complications such as the total number of vehicles fluctuating with staffing, usage, and when vehicles are kept as “spare” compound the problem for future years, to be adjusted annually during the budget.

PROPOSED BUDGET

Financing each year's annual vehicle replacements, adding \$2 million in additional debt each year, is unsustainable. An incremental approach of paying an *increasing* share in cash and financing a *decreasing* share is a possible scenario, however current General Fund expenditures are committed.

Title	Expenditure (Revenue)
Vehicle Replacement per year	\$ 1,920,000
OR	
Debt Service Year 1	\$ 200,804
Pay-go Year 1	\$ 200,000

BUDGET FUND

Requires General Fund Contribution

Sample perpetual vehicle replacement schedules follow:

FIRE

Name	Year	Manufacturer	Model/ Type	Repl Cost	Years of life	Repl Year	Budget Per Yr	2021	2022	2023	2024
AIRPORT	1987	OSHKOSH	ARFF/1500	\$ 1,000,000	20	2020	FAA	\$ —	\$ —	\$ —	\$ —
AIRPORT	2005	OSHKOSH	ARFF/1500		0		FAA	—	—	—	—
T-91	2010	CRIMSON	103' T.D.A.	1,500,000	17	2027	88,200	—	—	—	—
T-291	2016	ROSENBAUER	102' PLATFORM	1,500,000	17	2033	88,200	—	—	—	—
E-295	2000	CENTRAL STATES	PUMPER	750,000	17	2017	44,100	750,000	—	—	—
E-293	2003	CENTRAL STATES	PUMPER	750,000	17	2020	44,100	—	—	750,000	—
E-292	2005	CENTRAL STATES	PUMPER	750,000	17	2022	44,100	—	—	—	—
E-92	2008	ROSENBAUER	PUMPER	750,000	17	2025	44,100	—	—	—	—
E-91	2010	ROSENBAUER	PUMPER	750,000	17	2027	44,100	—	—	—	—
E-95	2010	ROSENBAUER	PUMPER	750,000	17	2027	44,100	—	—	—	—
E-93	2013	ROSENBAUER	PUMPER	750,000	17	2030	44,100	—	—	—	—
E-94	2016	ROSENBAUER	PUMPER	750,000	17	2034	44,100	—	—	—	—
TR95	1988	INTL-1900	TECH RESCUE	650,000	20	2012	32,500	—	650,000	—	—
REHAB-90	1998	FORD	REHAB	450,000	20	2018	22,500	—	—	—	450,000
T-94	2002	KME	PUMPER/TENDER	350,000	20	2022	17,500	—	—	—	—
B-92	2008	FORD F-550	BRUSH TRUCK	150,000	15	2023	10,000	—	—	—	—
B-93	2015	FORD F-550	BRUSH TRUCK	150,000	15	2030	10,000	—	—	—	—
R/AS-91	1999	CHEV 3500 HD	RESCUE/AIR SUP	140,000	7	2006	20,000	—	—	—	140,000
TOA	1995	FORD	VAN	50,000	7	2002	7,100	50,000	—	—	—
COMM	1998	JEEP	CHEROKEE	50,000	7	2005	7,100	50,000	—	—	—
COMM	1998	FORD	EXPEDITION	50,000	7	2005	7,100	—	50,000	—	—
ME-90	2000	FORD F-450	4X4/SERVICE	37,000	7	2007	5,300	—	37,000	—	—
TOW-93	2001	CHEV 4X4	TAHOE	50,000	7	2008	7,100	—	50,000	—	—
PUB ED	2002	CHEV 4X4	TAHOE	70,000	7	2009	10,000	—	70,000	—	—
TOW-95	2002	CHEV 4X4	TAHOE	50,000	7	2009	7,100	—	—	50,000	—
TRN-290	2004	FORD 4X4	EXPLORER	50,000	7	2011	7,100	—	—	50,000	—
ME-290	2005	FORD 4X4	PICKUP	50,000	7	2012	7,100	—	—	—	50,000
COMM	2006	JEEP	GRAND/CHEROKEE	50,000	7	2013	7,100	—	—	—	50,000
SC-291	2007	FORD	EXPEDITION	70,000	7	2014	10,000	—	—	—	70,000
TRN-291	2008	FORD	EXPEDITION	50,000	7	2015	7,100	—	—	—	50,000
INSP 290	2009	FORD	ESCAPE	50,000	7	2016	7,100	—	—	—	50,000
INSP 390	2009	FORD	ESCAPE	50,000	7	2016	7,100	—	—	—	—
SC-91	2012	FORD	EXPEDITION	70,000	7	2019	10,000	—	—	—	—
C-90	2014	FORD	EXPLORER	50,000	7	2025	7,100	—	—	—	—
C-290	2015	FORD	EXPLORER	50,000	7	2025	7,100	—	—	—	—
INSP 490	2015	FORD	ESCAPE	50,000	7	2022	7,100	—	—	—	—
TRN-290	2015	FORD	PICKUP	50,000	7	2022	7,100	—	—	—	—
TRN-90	2015	FORD	PICKUP	50,000	7	2022	7,100	—	—	—	—
36				\$ 12,937,000			\$ 790,600	\$850,000	\$857,000	\$850,000	\$860,000

FIRE

2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037
\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
—	—	—	—	—	—	—	—	—	—	—	—	—
—	—	—	1,500,000	—	—	—	—	—	—	—	—	1,500,000
—	—	—	—	—	—	—	—	—	1,500,000	—	—	—
—	—	—	—	—	—	—	—	—	—	—	—	—
750,000	—	—	—	—	—	—	—	—	—	—	—	—
—	—	750,000	—	—	—	—	—	—	—	—	—	—
—	—	—	—	750,000	—	—	—	—	—	—	—	—
—	—	—	—	—	—	750,000	—	—	—	—	—	—
—	—	—	—	—	—	—	—	750,000	—	—	—	—
—	—	—	—	—	—	—	—	—	750,000	—	—	—
—	—	—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—	—	—	—
—	150,000	—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	150,000	—	—	—	—	—	—	—
—	—	—	—	—	—	140,000	—	—	—	—	—	—
—	—	—	50,000	—	—	—	—	—	—	—	—	—
—	—	—	50,000	—	—	—	—	—	—	—	—	—
—	—	—	—	50,000	—	—	—	—	—	—	—	—
—	—	—	—	37,000	—	—	—	—	—	—	—	—
—	—	—	—	50,000	—	—	—	—	—	—	—	—
—	—	—	—	70,000	—	—	—	—	—	—	—	—
—	—	—	—	—	50,000	—	—	—	—	—	—	—
—	—	—	—	—	50,000	—	—	—	—	—	—	—
—	—	—	—	—	50,000	—	—	—	—	—	—	—
—	—	—	—	—	50,000	—	—	—	—	—	—	—
—	—	—	—	—	—	70,000	—	—	—	—	—	—
—	—	—	—	—	—	50,000	—	—	—	—	—	—
—	—	—	—	—	—	50,000	—	—	—	—	—	—
—	50,000	—	—	—	—	—	—	50,000	—	—	—	—
—	70,000	—	—	—	—	—	—	70,000	—	—	—	—
—	50,000	—	—	—	—	—	—	50,000	—	—	—	—
—	50,000	—	—	—	—	—	—	50,000	—	—	—	—
—	50,000	—	—	—	—	—	—	50,000	—	—	—	—
—	50,000	—	—	—	—	—	—	50,000	—	—	—	—
—	50,000	—	—	—	—	—	—	50,000	—	—	—	—
\$ 750,000	\$ 520,000	\$ 750,000	\$ 1,600,000	\$ 957,000	\$ 350,000	\$ 1,060,000	\$ —	\$ 1,120,000	\$ 1,500,000	\$ 750,000	\$ —	\$ 1,500,000

POLICE

YPD#	Division	Year	Make	Model	2020		Age at		2021	2022	2023	2024	2025	2026	2027		
					Repl	Cost	Repl										
1203	Patrol	2012	Ford	Taurus	\$	72,648	9	\$	74,827	\$	—	\$	—	\$	—	\$	—
1204	Patrol	2012	Ford	Taurus		72,648	9		74,827		—		—		—		—
1205	Patrol	2012	Ford	Taurus		72,648	9		74,827		—		—		—		—
1206	Patrol	2012	Ford	Taurus		72,648	9		74,827		—		—		—		—
1207	Patrol	2012	Ford	Taurus		72,648	9		74,827		—		—		—		—
1208	Patrol	2012	Ford	Taurus		72,648	9		74,827		—		—		—		—
1209	Patrol	2012	Ford	Taurus		72,648	9		74,827		—		—		—		—
1210	Patrol	2012	Ford	Taurus		72,648	9		74,827		—		—		—		—
1211	Patrol	2012	Ford	Taurus		72,648	9		74,827		—		—		—		—
1212	Patrol	2012	Ford	Taurus		72,648	9		74,827		—		—		—		—
1213	Patrol	2012	Ford	Taurus		72,648	9		74,827		—		—		—		—
1310	Patrol	2013	Ford	Explorer		72,648	8		74,827		—		—		—		—
1311	K9	2013	Ford	Explorer		72,648	8		74,827		—		—		—		—
1312	Patrol	2013	Ford	Taurus		72,648	8		74,827		—		—		—		—
1313	Patrol	2013	Ford	Taurus		72,648	9		—	77,072		—		—		—	—
1314	Patrol	2013	Ford	Taurus		72,648	9		—	77,072		—		—		—	—
1315	Patrol	2013	Ford	Taurus		72,648	9		—	77,072		—		—		—	—
1316	Patrol	2013	Ford	Taurus		72,648	9		—	77,072		—		—		—	—
1404	Gangs	2014	Ford	Taurus		72,648	8		—	77,072		—		—		—	—
1405	Patrol	2014	Ford	Taurus		72,648	8		—	77,072		—		—		—	—
1406	Patrol	2014	Ford	Taurus		72,648	8		—	77,072		—		—		—	—
1408	Patrol	2014	Ford	Taurus		72,648	8		—	77,072		—		—		—	—
1409	Patrol	2014	Ford	Taurus		72,648	8		—	77,072		—		—		—	—
1410	Patrol	2014	Ford	Taurus		72,648	8		—	77,072		—		—		—	—
1411	Patrol	2014	Ford	Taurus		72,648	8		—	77,072		—		—		—	—
1412	Patrol	2014	Ford	Taurus		72,648	8		—	77,072		—		—		—	—
1414	Patrol	2014	Ford	Taurus		72,648	8		—	77,072		—		—		—	—
1415	Gangs	2014	Ford	Taurus		72,648	8		—	77,072		—		—		—	—
1417	Gangs	2014	Ford	Taurus		72,648	9		—		79,384		—		—		—
1418	Patrol	2014	Ford	Explorer		72,648	9		—		79,384		—		—		—
1419	Patrol	2014	Ford	Explorer		72,648	9		—		79,384		—		—		—
1420	Patrol	2014	Ford	Explorer		72,648	9		—		79,384		—		—		—
1421	K9	2014	Ford	Explorer		72,648	9		—		79,384		—		—		—
1422	Patrol	2014	Ford	Explorer		72,648	9		—		79,384		—		—		—
1423	Patrol	2014	Ford	Explorer		72,648	9		—		79,384		—		—		—
1424	Patrol	2014	Ford	Explorer		72,648	9		—		79,384		—		—		—
1425	Patrol	2014	Ford	Explorer		72,648	9		—		79,384		—		—		—
1426	Patrol	2014	Ford	Explorer		72,648	9		—		79,384		—		—		—
1427	Patrol	2014	Ford	Explorer		72,648	9		—		79,384		—		—		—
1428	Patrol	2014	Ford	Explorer		72,648	9		—		79,384		—		—		—
1429	Patrol	2014	Ford	Explorer		72,648	9		—		79,384		—		—		—
1430	Patrol	2014	Ford	Explorer		72,648	9		—		79,384		—		—		—
1431	Patrol	2014	Ford	Explorer		72,648	10		—			81,765		—		—	—
1432	Patrol	2014	Ford	Explorer		72,648	10		—			81,765		—		—	—
1433	Patrol	2014	Ford	Explorer		72,648	10		—			81,765		—		—	—

POLICE

YPD#	Division	Year	Make	Model	2020	Age at	2021	2022	2023	2024	2025	2026	2027
					Repl Cost	Repl							
1434	Patrol	2014	Ford	Explorer	72,648	10	—	—	—	81,765	—	—	—
1435	Patrol	2014	Ford	Explorer	72,648	10	—	—	—	81,765	—	—	—
1436	Patrol	2014	Ford	Explorer	72,648	10	—	—	—	81,765	—	—	—
1437	Gangs	2014	Ford	Explorer	72,648	10	—	—	—	81,765	—	—	—
1439	Gangs	2014	Ford	Explorer	72,648	10	—	—	—	81,765	—	—	—
1440	Patrol	2014	Ford	Explorer	72,648	10	—	—	—	81,765	—	—	—
1441	Patrol	2014	Ford	Explorer	72,648	10	—	—	—	81,765	—	—	—
1442	Patrol	2014	Ford	Explorer	72,648	10	—	—	—	81,765	—	—	—
1443	Patrol	2014	Ford	Explorer	72,648	10	—	—	—	81,765	—	—	—
1444	Gangs	2014	Ford	Explorer	72,648	10	—	—	—	81,765	—	—	—
1445	Patrol	2014	Ford	Explorer	72,648	11	—	—	—	—	84,217	—	—
1446	Patrol	2014	Ford	Explorer	72,648	11	—	—	—	—	84,217	—	—
1447	Patrol	2014	Ford	Explorer	72,648	11	—	—	—	—	84,217	—	—
1448	Patrol	2014	Ford	Explorer	72,648	11	—	—	—	—	84,217	—	—
1449	Patrol	2014	Ford	Explorer	72,648	11	—	—	—	—	84,217	—	—
1450	Patrol	2014	Ford	Explorer	72,648	11	—	—	—	—	84,217	—	—
1451	Patrol	2014	Ford	Explorer	72,648	11	—	—	—	—	84,217	—	—
1452	Patrol	2014	Ford	Explorer	72,648	11	—	—	—	—	84,217	—	—
1453	Patrol	2014	Ford	Explorer	72,648	11	—	—	—	—	84,217	—	—
1454	Patrol	2014	Ford	Explorer	72,648	11	—	—	—	—	84,217	—	—
1455	Patrol	2014	Ford	Explorer	72,648	11	—	—	—	—	84,217	—	—
1456	Patrol	2014	Ford	Explorer	72,648	11	—	—	—	—	84,217	—	—
1457	Patrol	2014	Ford	Explorer	72,648	11	—	—	—	—	84,217	—	—
1458	Patrol	2014	Ford	Explorer	72,648	11	—	—	—	—	84,217	—	—
1459	Patrol	2014	Ford	Explorer	72,648	12	—	—	—	—	—	86,743	—
1460	Patrol	2014	Ford	Explorer	72,648	12	—	—	—	—	—	86,743	—
1461	Patrol	2014	Ford	Explorer	72,648	12	—	—	—	—	—	86,743	—
1462	Patrol	2014	Ford	Explorer	72,648	12	—	—	—	—	—	86,743	—
1463	Patrol	2014	Ford	Explorer	72,648	12	—	—	—	—	—	86,743	—
1464	Patrol	2014	Ford	Explorer	72,648	12	—	—	—	—	—	86,743	—
1465	Patrol	2014	Ford	Explorer	72,648	12	—	—	—	—	—	86,743	—
1466	Patrol	2014	Ford	Explorer	72,648	12	—	—	—	—	—	86,743	—
1467	Patrol	2014	Ford	Explorer	72,648	12	—	—	—	—	—	86,743	—
1468	Patrol	2014	Ford	Explorer	72,648	12	—	—	—	—	—	86,743	—
1469	Patrol	2014	Ford	Explorer	72,648	12	—	—	—	—	—	86,743	—
1470	Patrol	2014	Ford	Explorer	72,648	12	—	—	—	—	—	86,743	—
1471	Patrol	2014	Ford	Explorer	72,648	12	—	—	—	—	—	86,743	—
1472	Patrol	2014	Ford	Explorer	72,648	12	—	—	—	—	—	86,743	—
1473	Patrol	2014	Ford	Explorer	72,648	13	—	—	—	—	—	—	89,345
1474	Patrol	2014	Ford	Explorer	72,648	13	—	—	—	—	—	—	89,345
1603	Patrol	2016	Ford	Explorer	72,648	11	—	—	—	—	—	—	89,345
1704	Patrol	2017	Ford	Explorer	72,648	10	—	—	—	—	—	—	89,345
1705	Patrol	2017	Ford	Explorer	72,648	10	—	—	—	—	—	—	89,345
1706	Patrol	2017	Ford	Explorer	72,648	10	—	—	—	—	—	—	89,345
1707	Patrol	2017	Ford	Explorer	72,648	10	—	—	—	—	—	—	89,345

POLICE

YPD#	Division	Year	Make	Model	2020	Age at	2021	2022	2023	2024	2025	2026	2027
					Repl Cost	Repl							
1708	Patrol	2017	Ford	Explorer	72,648	10	—	—	—	—	—	—	89,345
1710	Patrol	2017	Ford	Explorer	72,648	10	—	—	—	—	—	—	89,345
1804	Patrol	2018	Ford	Explorer	72,648	9	—	—	—	—	—	—	89,345
1805	Patrol	2018	Ford	Explorer	72,648	9	—	—	—	—	—	—	89,345
1806	Patrol	2018	Ford	Explorer	72,648	9	—	—	—	—	—	—	89,345
1807	Patrol	2018	Ford	Explorer	72,648	9	—	—	—	—	—	—	89,345
1808	Patrol	2018	Ford	Explorer	72,648	9	—	—	—	—	—	—	89,345
2001	K9	2020	Ford	Explorer	72,648	8	—	—	—	—	—	—	—
2002	Patrol	2020	Ford	Explorer	72,648	8	—	—	—	—	—	—	—
2003	Patrol	2020	Ford	Explorer	72,648	8	—	—	—	—	—	—	—
2004	Patrol	2020	Ford	Explorer	72,648	8	—	—	—	—	—	—	—
2005	Patrol	2020	Ford	Explorer	72,648	8	—	—	—	—	—	—	—
911	Detectives	2009	Ford	Cr Vic	30,000	12	30,900	—	—	—	—	—	—
1218	Detectives	2012	Chev	Impala	30,000	9	31,827	—	—	—	—	—	—
1219	Detectives	2012	Chev	Impala	30,000	9	31,827	—	—	—	—	—	—
1220	Detectives	2012	Chev	Impala	30,000	9	31,827	—	—	—	—	—	—
1221	Detectives	2012	Chev	Impala	30,000	10	—	31,827	—	—	—	—	—
1222	Detectives	2012	Chev		30,000	10	—	31,827	—	—	—	—	—
1223	Detectives	2012	Chev	Impala	30,000	10	—	31,827	—	—	—	—	—
1224	Detectives	2012	Chev	Impala	30,000	10	—	31,827	—	—	—	—	—
1322	Detectives	2012	Chev	Impala	30,000	11	—	—	32,781	—	—	—	—
1214	Detectives	2013	Ford	Taurus	30,000	10	—	—	32,781	—	—	—	—
1215	Detectives	2013	Ford	Taurus	30,000	10	—	—	32,781	—	—	—	—
1216	Detectives	2013	Ford	Taurus	30,000	10	—	—	32,781	—	—	—	—
1217	Detectives	2013	Chev	Impala	30,000	11	—	—	—	33,764	—	—	—
1309	Detectives	2013	Chev	Impala	30,000	11	—	—	—	33,764	—	—	—
1318	Detectives	2013	Chev	Impala	30,000	11	—	—	—	33,764	—	—	—
1319	Detectives	2013	Chev	Impala	30,000	11	—	—	—	33,764	—	—	—
1320	Detectives	2013	Chev	Impala	30,000	12	—	—	—	—	34,776	—	—
1321	Detectives	2013	Chev	Impala	30,000	12	—	—	—	—	34,776	—	—
1324	Detectives	2013	Chev	Impala	30,000	12	—	—	—	—	34,776	—	—
1325	Detectives	2013	Chev	Impala	30,000	12	—	—	—	—	34,776	—	—
1326	Detectives	2013	Chev	Impala	30,000	13	—	—	—	—	—	35,819	—
1604	Detectives	2016	Chev	Impala	30,000	10	—	—	—	—	—	35,819	—
1605	Detectives	2016	Chev	Impala	30,000	10	—	—	—	—	—	35,819	—
1711	Detectives	2017	Chev	Impala	30,000	9	—	—	—	—	—	35,819	—
1902	Detectives	2019	Chev	Impala	30,000	8	—	—	—	—	—	—	36,893
1903	Detectives	2019	Chev	Impala	30,000	8	—	—	—	—	—	—	36,893
1904	Detectives	2019	Chev	Impala	30,000	8	—	—	—	—	—	—	36,893
1905	Detectives	2019	Chev	Impala	30,000	8	—	—	—	—	—	—	36,893
124					\$ 8,250,096		\$1,173,959	\$1,206,316	\$1,242,500	\$1,198,001	\$1,318,142	\$1,357,678	\$1,398,402

LONG-TERM MILL SITE DEVELOPMENT FUNDING

COUNCIL PRIORITY

- Fiscal Sustainability

NARRATIVE

The purpose of this policy issue is to work toward secure annual budget funding for the next several years.

The mill site project entails environmental landfill remediation and construction of Bravo Company Boulevard and East H Street. Coordination with the Department of Ecology is underway for environmental clean-up of the road corridor in an Interim Action which is part of the Agreed Order process. The City is in need of 1) a source of locally funded match to leverage our Local Infrastructure Financing Tool (LIFT) program, and 2) a funding source for the balance of the project in its entirety.

The State LIFT program requires a 1:1 local or Federal (non-State) match in order to utilize this funding source. The City currently has \$8.7 million in a Remedial Action Grant from Department of Ecology, not eligible for match purposes.

The City contemplates General Revenue bond funding to cover the costs not subject to the Department of Ecology Remedial Action Grant and LIFT funding but requires additional funding source. The Preliminary 2021 Budget Property Tax and Sales Tax are insufficient to cover existing operations and vehicles replacement, and REET are already over-subscribed for the next 5 years.

PROPOSED BUDGET

<u>Title</u>	<u>Expenditure</u>
	<u>(Revenue)</u>
Annual LIFT matching requirement	\$ 1,000,000
Annual Debt Service on total remaining Project	TBD

BUDGET FUND

Requires General Fund contribution

SOLID WASTE COLLECTION RATE INCREASE

COUNCIL PRIORITY

- Fiscal Sustainability
- Public Safety
- Public Trust and Accountability

NARRATIVE

This policy issue proposes an average 3.5% rate increase in Refuse rates for each year 2021 through 2025 for expenses relating to anticipated increases in Yakima County's landfill tipping fees and other operational costs effective January 1, 2021. The following table summarizes the expected cost increases for residents with a 96 gallon cart - there are approximately 20,200 customers (78%) that have a 96 gallon cart for waste collection and 5,580 customers (21%) that have a 32 gallon cart for collection. Rate payers will see an increase of \$0.60 a month for the 32 gallon cart, \$0.75 for a 96 gallon cart and, \$0.40 for a 96 gallon yard waste cart.

Service	2020	2021	2022	2023	2024	2025
32 gal SW cart	\$18.50	\$19.10	\$19.70	\$20.30	\$20.90	\$21.50
96 gal SW cart	\$21.10	\$21.85	\$22.60	\$23.35	\$24.10	\$24.85
96 gal YD cart	\$17.14	\$17.55	\$17.95	\$18.35	\$18.75	\$19.15

Multi-family and commercial customers that use a 2 yard, 4 yard, or 6 yard bin for service will also experience a 3.5% increase. The financial and operational information of the requested rate increase is detailed in the attached rate study technical memorandum completed for the Refuse Division.

See the following pages for more information.

PROPOSED BUDGET

Title	Revenue
2021 Increase	\$ 511,000
2022 Increase	355,000
2023 Increase	342,000
2024 Increase	345,000
2025 Increase	349,000

POSTPONEMENT/OTHER COSTS

The current rate structure for the Solid Waste Division which covers the cost of service runs through December of 2020. The proposed rates based on the cost of service analysis will allow the Division to project costs for the next five years, beginning 2021 through 2025. Postponing the rate increase will result in insufficient funding to sustain the level of service for the Solid Waste Division.

BUDGET FUND

471

STUDY BACKGROUND

The City of Yakima Solid Waste and Recycling Division (SWRD / Division) provides waste and yard debris collection and clean city services to the City’s 95,490[1] residents. The SWRD provides weekly collection services to the City’s 25,828 single-family homes and 316 multi-family properties. Division services are provided to the City’s customers by 14 route drivers, four operations support workers, two administrative personnel, two supervisors, and one division manager. Last year the Division collected 31,420 tons of solid waste and 3,499 tons of yard waste.

City Council approved the current rate structure in 2016. The approved rates were set at the cost of service to provide the Division the resources to update the collection fleet, expand operations to accommodate the west side annexations, adjust for inflation and labor increases, and to increase the Division’s operating reserve from a deficit to 12% of annual expenditures.

Over the last four years, SWRD has standardized and updated the collection fleet by 13 route trucks to increase reliability and reduce maintenance and downtime costs.

Working with the IT Department, the Division implemented an on-board data collection system for each waste collection truck that provides route information necessary to maintain efficient collection operations.

The SWRD provides collection and disposal services in support of the Clean City program. From January through June 2020, Division crews attended 1,110 sites/incidents and disposed of 53 tons of waste.

FUTURE DIVISION AREAS OF INTEREST

Disposal

Terrace Heights Landfill is expected to reach capacity and close in 2027. Yakima County (County), the owner of Terrace Heights and Cheyne Landfill, recommended the expansion of the Terrace Heights self-haul transfer station for City and commercial collection. However, the County has not communicated its intentions to construct a transfer station at Terrace Heights. Assuming the County follows through with the expansion of the Terrace Heights facility, waste will be transported 25 miles to the Cheyne Landfill in Zillah. The additional cost of disposal could increase from \$15 to \$25 per ton.

An increase in the disposal cost of this magnitude would impact the collection rates for Yakima customers. Table 1 summarizes the rate increase necessary to cover the transfer and transport costs.

Table 1: Rate Impact of Increased Transfer Cost per Ton

Range	Waste Disposal Increase	Residential 96 gallon cart Increase	Multi-Family 2 yard bin Increase
Low	\$15	\$1.95	\$3.07
Mid	\$20	\$2.60	\$4.09
High	\$25	\$3.25	\$5.11

It is recommended the City Council lobby the Yakima County Commissioners to resurrect the County Solid Waste Advisory Committee (SWAC). The SWAC is an effective forum where stakeholders can provide critical input on future waste management services, infrastructure, policy, and costs.

Collection Efficiencies

Utilizing information from the on-board data collection system, the Division will review the current route configuration and complete an assessment to increase the collection productivity and meet the demands for growth within the City.

Recycling

Shifting changes in the recycling markets from export to domestic during the next decade could increase the demand and value for recyclable materials generated within the City and the Central Washington region. Package

Corporation is expanding its mill just south of the Tri-Cities to manufacture up to 350,000 tons of cardboard annually. The NORPAC paper mill is located in Longview and is expanding its production capacity to recycle mixed waste paper. When complete, the mill would annually consume up to 600,000 tons of paper. Mixed waste paper comprises approximately 50% of the material in the residential recycling cart.

The Division continually monitors the market plan for the likelihood of providing curbside collection to City residents. If the SWRD were to provide this future service, the City Council needs to provide Yakima Waste Systems and the Washington Utility and Transportation Commission the official notice of the intent to provide the service and the expected period for the commencement of services.

RATE SETTING

The primary goal of the City when setting utility rates is to ensure that all rates are fair, reasonable, and sufficient to pay for the service. Setting rates for municipal waste and recycling collection at the cost of service is the prudent approach to service delivery.

The basis of the rate calculation is segmented into the primary cost components such as labor, truck expense, disposal, administration and customer service, inter-fund transfers for services, and applicable taxes. An Excel financial model was developed using a multi-step process for setting rates at the cost of service for the City that followed this process:

Step 1 - Budgeted line item expenses from FY 2020, which is the base year, are projected over a four year period. The projection of costs is based on expected inflation, labor agreements, waste generation, and the expected growth of residential and multi-family customers.

Step 2 – Gathering and review of operational information, including customer counts, collection route hours, disposal tons, population projections, and other data necessary to model rates.

Step 3 – Projected division costs were allocated by their function. For example, if 70% of the driver labor hours are assigned to automated cart collection, then 70% of the total labor costs (labor, payroll taxes, benefits, and training) are allocated to cart collection.

Step 4 – Calculation of unit costs that comprise the service rates

Step 1 – Projection of Expenses

The 2020 budget is the starting point for the projection of operating expenses from the fiscal year 2020 to 2024. Inflation assumptions in Table 2 were applied to the line item costs.

Table 2: Line Item Inflation Assumptions

Assumption	Amount	Source
CPI Index	2.28%	US BLS / All Items West Urban
Asset Index	1.92%	US BLS / PPI Industry for Truck Manufacturing
Fuel Index	1.81%	US BLS / PPI for No. 2 Diesel
City Index	3.50%	City Average
Labor Index	2.50%	US BLS / Transport and Material Moving Index
Admin Index	1.75%	City Average
PERS Index	3.00%	City Average
Insurance Index	3.50%	City Average
Medical Index	5.00%	City Average
Refuse Tax	5.10%	Total Refuse and B&O tax rate
Utility Tax	15.00%	Current Rate
Container Replacement	5.0%	Replacement Schedule

Yakima County's disposal fee schedule was approved through December 2021; however, the proposed fees in this study are through 2025. Therefore, the assumed rate increases for disposal continue the current pattern of rate increases — Table 3 details the expected disposal fees through 2025.

Table 3 – Assumed Disposal Fee Through 2025

Year	Fee per Ton	% ▲
Disposal Fee 2020	\$34.75	
Disposal Fee 2021	\$36.68	6.74%
Disposal Fee 2022	\$36.68	1.14%
Disposal Fee 2023	\$38.61	6.40%
Disposal Fee 2024	\$38.61	1.14%
Disposal Fee 2025	\$40.54	6.14%

Annual increases for customer growth were derived from official population estimates from the Washington Office of Financial Management. Escalated costs by function are grouped and summarized to 2025 in Table 4 on the following page.

Table 4: Projected Expenses by Function from 2020 to 2025

Function	2020	2021	2022	2023	2024	2025
Disposal	\$1,381,571	\$1,474,633	\$1,491,388	\$1,586,808	\$1,604,838	\$1,703,314
Labor Expense	\$1,472,210	\$1,457,638	\$1,500,832	\$1,543,470	\$1,587,433	\$1,632,765
Operations	\$1,673,715	\$1,711,686	\$1,746,589	\$1,782,004	\$1,817,941	\$1,854,413
Cart/Bin Replace	\$138,375	\$145,294	\$152,558	\$160,186	\$168,196	\$176,605
Division Admin	\$600,765	\$744,876	\$772,786	\$794,404	\$816,686	\$839,653
City Admin	\$1,114,316	\$948,633	\$940,434	\$971,528	\$1,003,668	\$1,036,890
City Utility Tax	\$1,178,750	\$1,326,000	\$1,356,261	\$1,387,212	\$1,418,870	\$1,451,250
WA State Tax	\$303,631	\$310,560	\$317,647	\$324,896	\$332,311	\$339,894
Total Expense	\$7,863,331	\$8,119,319	\$8,278,496	\$8,550,509	\$8,749,941	\$9,034,786
% ▲		3.3%	2.0%	3.3%	2.3%	3.3%

Disposal is increased by the estimated CPI – rate is adjusted every-other-year as is the current Yakima County rate-setting pattern plus the expected increase in collected waste tons from population growth.

Labor: Labor wages adjusted at 2.50% from 2021 to 2025 (CPI labor index). Employee insurance expenses are projected at 5% annually. Payroll expenses such as SS, Deferred Comp, and PER's projected at 6.75%, 2.2%, and 12% respectively of wages.

Operational: Expenses projected at 2.28% and based on the US Department of Labor - All items West urban CPI index. Vehicle replacement is projected to increase at 1.92% annually.

Cart and container costs are escalated at 5% annually to account for residential roll cart replacement.

Division Administration expenses such as labor were increased by the same factors as driver labor. Increases for 2021 are for the addition of administrative staff. Other administrative costs were increased by projected CPI.

City Administrative costs for inter-fund transfers were projected at 3.5%; whereas, insurance and misc. expenses were escalated at 2.28%.

Utility Tax and Refuse Tax, which is a percentage of the rates, were estimated to increase by the CPI.

Step 2 – Operational Information

Labor and truck hours were derived from the City's mix of daily collection routes and employee assignments. Customers and cart/bin counts were sourced from the City's utility billing system. Other operational information used to calculate costs were from the data collection system and records maintained by Division administrative personnel.

Step 3 - Allocated Expenses

Projected costs, by function, are allocated to the services provided by the Division using the operational information from step 2.

- Labor Costs are allocated by labor hours per route type
- Operational and Division Administrative Costs are allocated on truck hours
- Waste Disposal is assigned on the cart volume and collected bin yard weights

Table 5 summarizes the allocated costs over the study period.

Table 5: Allocated Costs by Service from 2020 to 2025

Service	2020	2021	2022	2023	2024	2025
Residential Carts	\$6,304,154	\$6,486,798	\$6,600,340	\$6,816,540	\$6,967,993	\$7,197,801
Yard Waste	\$865,698	\$911,296	\$938,734	\$969,478	\$997,261	\$1,027,099
Multi-Family Bins	\$604,230	\$629,071	\$644,266	\$666,234	\$683,226	\$705,113
Clean City	\$89,250	\$92,155	\$95,156	\$98,257	\$101,461	\$104,772
Total Cost	\$7,863,331	\$8,119,319	\$8,278,496	\$8,550,509	\$8,749,941	\$9,034,786

Step 4 - Residential Waste and Yard Waste Service

While the increases from year to year vary, the increase for residential service has been annualized by cart size over the study period. The following table details the proposed residential rates through 2025.

Table 6: Proposed Residential Collection Rates from 2021 Through 2025

Service	Annual %	Annual \$	2020	2021	2022	2023	2024	2025
32 gal SW weekly	3.24%	\$0.60	\$18.50	\$19.10	\$19.70	\$20.30	\$20.90	\$21.50
96 gal SW weekly	3.55%	\$0.75	\$21.10	\$21.85	\$22.60	\$23.35	\$24.10	\$24.85
96 gal Yard Waste	2.35%	\$0.40	\$17.14	\$17.55	\$17.95	\$18.35	\$18.75	\$19.15

Step 4 - Multifamily / Commercial Bin Service

Using a similar method for multi-family / commercial bin service as residential service, the average annual increase is 3.5%. The following table summarizes the proposed rates over the study period.

Table 7: Proposed Multi-Family Bin Collection Rates from 2021 Through 2025

Level of Service	2020	2021	2022	2023	2024	2025
2 yard Weekly	\$107.73	\$111.50	\$115.40	\$119.44	\$123.62	\$127.95
2 yard Add'l lift	\$65.10	\$67.38	\$69.74	\$72.18	\$74.70	\$77.32
4 yard Weekly	\$171.53	\$177.53	\$183.75	\$190.18	\$196.83	\$203.72
4 yard Add'l lift	\$127.50	\$131.96	\$136.58	\$141.36	\$146.31	\$151.43
6 yard Weekly	\$235.38	\$243.62	\$252.14	\$260.97	\$270.10	\$279.56
6 yard Add'l lift	\$192.74	\$199.49	\$206.47	\$213.69	\$221.17	\$228.91

Step 4 - Temporary Bin Service

The costs of providing a temporary bin were calculated separately because the service can vary depending on the customer's needs. Container tipping and disposal costs vary by the volume of the bin and the number of times the bin has to be emptied. Bin rental will vary with the size of the bin provided to the customer. The following table details the various costs used to calculate the rates for temporary bin service.

Table 8: Proposed Temporary Bin Rates from 2021 Through 2025

Service	2021	2022	2023	2024	2025
2 yd. Bins (delivery & pickup)	\$58.00	\$59.00	\$60.00	\$61.00	\$62.00
Container Tip & Disposal Fee	\$19.17	\$19.17	\$19.65	\$19.65	\$20.14
Daily Bin Rental Fee	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00
4 yd. Bins (delivery & pickup)	\$68.00	\$69.00	\$70.00	\$71.00	\$72.00
Container Tip & Disposal Fee	\$28.34	\$28.34	\$29.31	\$29.31	\$30.27
Daily Bin Rental Fee	\$5.00	\$5.00	\$5.00	\$5.00	\$5.00
6 yd. Bins (delivery & pickup)	\$78.00	\$79.00	\$80.00	\$81.00	\$82.00
Container Tip & Disposal Fee	\$37.51	\$37.51	\$38.96	\$38.96	\$40.41
Daily Bin Rental Fee	\$7.00	\$7.00	\$7.00	\$7.00	\$7.00

Table 9 summarizes the cost incurred by the customer for a five day rental with the container emptied once.

Table 9: Temporary Bin Customer Costs

Bin Volume	2021	2022	2023	2024	2025
2 yard	\$92.17	\$93.17	\$94.65	\$95.65	\$97.14
4 yard	\$121.34	\$122.34	\$124.31	\$125.31	\$127.27
6 yard	\$150.51	\$151.51	\$153.96	\$154.96	\$157.41

Proposed Rates and the Division Fund Balance

When the current collection rate schedules were adopted in 2016, one of the objectives was to increase the fund balance to the City's minimum requirement of 12% of budgeted expenses. The 2019 fiscal year-end fund balance was approximately 25% of division costs, which will cover 90 days of expenses. However, the 2020 budget will reduce the fund balance by approximately 5%. The balance in Fund 471 was achieved by a reasonable rate schedule that averaged 3% annual increases, reduced expenditures such as truck repairs, and growth with the City.

The proposed collection rates for the next five years incorporate the results experienced over the previous four years. The annual increase for most residents with a 96 gallon cart is 3.55%; whereas, the rates for bin customers will be slightly lower at 3.50%.

The closure of the landfill in 2027 will increase service costs to all customers. If the fund balance exceeds 90 days of expenses, the additional collected revenues should be encumbered in a rate stabilization fund. The resources within the fund would reduce the rate impact when disposal rates increase. Depending on the balance of the rate stabilization fund, the increase required could be spread over two or three years.

Table 10 compares the estimated revenue generated from the proposed rates to the projected expenses over the next five years.

Table 10: Rate Revenue by Source from 2021 to 2025

Revenue Source	2021	2022	2023	2024	2025
32 gal Solid Waste	\$1,293,834	\$1,349,608	\$1,403,136	\$1,456,646	\$1,510,848
96 gal Solid Waste	\$5,371,954	\$5,619,264	\$5,856,740	\$6,096,047	\$6,337,645
Total Cart Solid Waste	\$6,665,788	\$6,968,872	\$7,259,876	\$7,552,693	\$7,848,493
Yard Waste Service	\$804,352	\$832,018	\$858,046	\$884,100	\$910,468
Bin Revenue	\$626,164	\$648,079	\$670,762	\$694,239	\$718,537
Clean City Reimbursement	\$73,744	\$76,325	\$78,996	\$81,761	\$84,623
Misc. Revenue	\$28,000	\$28,000	\$28,000	\$28,000	\$28,000
Total Division Revenue	\$8,198,047	\$8,553,294	\$8,895,681	\$9,240,793	\$9,590,120
Less Division Expenses	\$8,119,319	\$8,278,496	\$8,550,509	\$8,749,941	\$9,034,786
Fund Contribution	\$78,728	\$274,798	\$345,172	\$490,852	\$555,334
Running Fund Balance	\$1,698,346	\$1,973,144	\$2,318,316	\$2,809,168	\$3,364,502
Fund Balance % of Expenses	21%	24%	27%	32%	37%

City of Yakima Refuse Division Full Rate Schedule

The collection of all refuse in the residential classification shall be conducted by the City of Yakima equipment and personnel and financed by garbage and refuse collection fees hereinafter set forth. The City of Yakima shall not collect refuse from apartments or multiple units in excess of four units except upon the request of the owner or operator thereof. The following collection fees and practices shall apply for all garbage collection services conducted by the City of Yakima:

There are hereby imposed for refuse collection in the residential classification the following charges and fees for each single-family dwelling and for each residential unit in any multiple dwelling:

Residential Refuse Collection Service	January 1, 2021	January 1, 2022	January 1, 2023	January 1, 2024	January 1, 2025
Each 32-gallon cart	\$19.10	\$19.70	\$20.30	\$20.90	\$21.50
Each 96-gallon cart	\$21.85	\$22.60	\$23.35	\$24.10	\$24.85
Carry-Out Collection					
Each 32-gallon cart	\$34.50	\$35.35	\$36.20	\$37.05	\$37.90
Each 96-gallon cart	\$37.10	\$38.20	\$39.30	\$40.40	\$41.50
Overfill Fee ¹	\$3.00	\$3.10	\$3.20	\$3.30	\$3.40
Call Back Charge ²	\$15.00	\$15.00	\$15.00	\$15.00	\$15.00
Ready to Serve Fee Weekly	\$2.15	\$2.25	\$2.35	\$2.45	\$2.55
Ready to Serve Fee Monthly	\$9.10	\$9.35	\$9.60	\$9.85	\$10.10
Extra Container	\$3.00	\$3.10	\$3.20	\$3.30	\$3.40

In addition to the charges and fees imposed by subsection (C)(1) of this section, a separate charge, to be known as the "yard service charge," is imposed on each residential unit that elects to receive yard material collection service from the City during the nine-month period of each year commencing March 1st and ending November 30th. Such service shall utilize one or more ninety-six-gallon carts owned and provided by the city. The yard service charges shall be as follows:

¹ An overfill fee shall be imposed each time an automated cart is filled past its visible full limit or the cart lid will not close due to overfilling. Carts filled with unacceptable material will be tagged and left at the curb.

² A call-back charge shall be imposed each time a customer requests refuse collection service at a time other than the regularly scheduled time.

Residential Yard Waste Service	January 1, 2021	January 1, 2022	January 1, 2023	January 1, 2024	January 1, 2025
Each 96-gallon cart	\$17.55	\$17.95	\$18.35	\$18.75	\$19.15
Each additional 96-gallon cart	\$8.85	\$9.10	\$9.35	\$9.60	\$9.85
Overfill fee (yard debris) ¹	\$3.00	\$3.10	\$3.20	\$3.30	\$3.40
Call-back charge ²	\$15.00	\$15.00	\$15.00	\$15.00	\$15.00

Metal bin service charges shall be as follows:

Type of Residential Bin Service	January 1, 2021	January 1, 2022	January 1, 2023	January 1, 2024	January 1, 2025
2-Yard Bin					
Each bin, collected weekly	\$111.50	\$115.40	\$119.44	\$123.62	\$127.95
Each additional bin	\$111.50	\$115.40	\$119.44	\$123.62	\$127.95
Each additional pickup per bin	\$67.38	\$69.74	\$72.18	\$74.70	\$77.32
4-Yard Bin					
Each bin, collected weekly	\$177.53	\$183.75	\$190.18	\$196.83	\$203.72
Each additional bin	\$177.53	\$183.75	\$190.18	\$196.83	\$203.72
Each additional pickup per bin	\$131.96	\$136.58	\$141.36	\$146.31	\$151.43
6-Yard Bin					
Each bin, collected weekly	\$243.62	\$252.14	\$260.97	\$270.10	\$279.56
Each additional bin	\$243.62	\$252.14	\$260.97	\$270.10	\$279.56
Each additional pickup per bin	\$199.49	\$206.47	\$213.69	\$221.17	\$228.91
Overfill fee ¹	\$16.37	\$16.89	\$17.43	\$17.98	\$18.55

Temporary bin service charges shall be as follows:

Temporary Bin Rentals	January 1, 2021	January 1, 2022	January 1, 2023	January 1, 2024	January 1, 2025
Temporary 2-Yard Bin Service					
Initial Delivery and Pickup	\$58.00	\$59.00	\$60.00	\$61.00	\$62.00
Bin Dump and Disposal ³	\$19.17	\$19.17	\$19.65	\$19.65	\$20.14
Daily Bin Rental Fee ⁴	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00
Temporary 4-Yard Bin Service					
Initial Delivery and Pickup	\$68.00	\$69.00	\$70.00	\$71.00	\$72.00
Bin Dump and Disposal ³	\$28.34	\$28.34	\$29.31	\$29.31	\$30.27
Daily Bin Rental Fee ⁴	\$5.00	\$5.00	\$5.00	\$5.00	\$5.00
Temporary 6-Yard Bin Service					
Initial Delivery and Pickup	\$78.00	\$79.00	\$80.00	\$81.00	\$82.00
Bin Dump and Disposal ³	\$37.51	\$37.51	\$38.96	\$38.96	\$40.41
Daily Bin Rental ⁴	\$7.00	\$7.00	\$7.00	\$7.00	\$7.00
Overfill Fee ¹	\$16.37	\$16.89	\$17.43	\$17.98	\$18.55

³ Bin dump and disposal is assessed each time the contents of the bin are emptied.

⁴ Daily Bin Rental is assessed on the second day of the service through the last day of service.



Public Services

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TO: Municipalities, Waste Haulers, and SWAC Members
FROM: Karma Suchan, Solid Waste Manager *KS*
DATE: August 31, 2020
RE: Notice of Changes in Tipping Fees and Disposal Rate Schedules

Attached please find a copy of the resolution in the matter of revising disposal fees for solid waste at the Yakima County landfills and transfer stations operated by the Yakima County Public Services Solid Waste Division.

The Yakima County Board of Commissioners adopted the attached fee schedule effective January 1, 2021. In accordance with RCW 70.95.212, this letter serves as the seventy-five day notice to solid waste collection companies of changes in the tipping fees and disposal rate schedules. If you are a solid waste collection company or municipal waste hauler, the municipal solid waste tip fee will be \$36.68 in 2021, these rates do not include the mandatory refuse tax.

If you have any questions or concerns, please feel free to contact me at (509) 574-2450.

Yakima County ensures full compliance with Title VI of the Civil Rights Act of 1964 by prohibiting discrimination against any person on the basis of race, color, national origin, or sex in the provision of benefits and services resulting from its federally assisted programs and activities. For questions regarding Yakima County's Title VI Program, you may contact the Title VI Coordinator at 509-574-2300.

If this letter pertains to a meeting and you need special accommodations, please call us at 509-574-2300 by 10:00 a.m. three days prior to the meeting. For TDD users, please use the State's toll free relay service 1-800-833-6388 and ask the operator to dial 509-574-2300.

BOARD OF YAKIMA COUNTY COMMISSIONERS

IN THE MATTER OF REVISING THE)
DISPOSAL FEES FOR SOLID WASTE) RESOLUTION 372-2016
AT THE YAKIMA COUNTY LANDFILLS)
AND TRANSFER STATIONS OPERATED)
BY YAKIMA COUNTY)

WHEREAS, the Board of Yakima County Commissioners convened the Solid Waste Advisory Committee to review the solid waste rates as part of the update of the Yakima County Solid and Moderate Risk Waste Management Plan; and,

WHEREAS, the Solid Waste Advisory Committee completed their work and recommended that disposal fees at all landfills and transfer stations maintained and operated by Yakima County be revised; and,

WHEREAS, the Public Services Director reviewed and concurred with the Solid Waste Advisory Committee's recommendation; and,

WHEREAS, pursuant to Resolution No. 321-2016 dated September 27, 2016, a public hearing was scheduled for Tuesday October 11, 2016 at 10:30 a.m.; and,

WHEREAS, the Clerk of the Board of Yakima County Commissioners did post and publish notice of said hearing, as prescribed by law; and,

WHEREAS, the Board of Yakima County Commissioners did hold a public hearing on said date to hear testimony for or against said fee revisions; and,

WHEREAS, public comments were received at the public hearing and the Board of Yakima County Commissioners conducted a study session on Friday, November 4, 2016 to consider public comments; now, therefore,

BE IT HEREBY RESOLVED by the Board of County Commissioners of Yakima County, Washington, that the disposal fees for 2017 is set at \$34/ton, for 2019 is set at \$36/ton, and for 2021 is set at \$38/ton.

BE IT FURTHER RESOLVED that the attached fee schedule for the Yakima County operated landfills, and transfer station sites, shall become effective February 1, 2017 for 2017 fees, and subsequently at the start of calendar years 2019 and 2021.

BE IT FURTHER RESOLVED by the Board of County Commissioners that, as established in Resolution No. 520-1994, no "Out of Yakima County Waste" will be accepted at any Yakima County maintained and operated solid waste facilities.

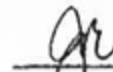
BE IT FURTHER RESOLVED by the Board of County Commissioners that, as established in Resolution No. 66-1995, a twenty (20) percent discount to non-profit tax exempt corporations involved in waste reduction, and meeting the necessary requirements, be continued.

BE IT FURTHER RESOLVED by the Board of County Commissioners that prior to the approval of any charge account by a contractor outside of Yakima County, a minimum One Thousand Dollar (\$1,000) bond must be furnished to Yakima County Solid Waste Division by the contractor for the payment of solid waste disposal fees.

DONE this 15th day of November, 2016


Michael D. Leita, Chairman

EXCUSED
Kevin J. Bouchey, Commissioner


J. Rand Elliott, Commissioner
*Consisting the Board of County Commissioners
For Yakima County, Washington*


Attest: Linda Kay O'Hara
Deputy Clerk of the Board



Yakima County Solid Waste Fee Schedule

Material Description	Current Rate	Rate effective	Rate effective	Rate effective
	as of 1/1/2010	as of 2/1/2017	as of 1/1/2019	as of 1/1/2021
Garbage Tipping Fee per ton	\$32.00	\$34.00	\$36.00	\$38.00
Minimum Fee	\$8.00	\$9.00	\$10.00	\$10.00
Clean Yard and Wood Waste per ton	\$16.00	\$17.00	\$18.00	\$19.00
Minimum Fee	\$5.00	\$6.00	\$6.00	\$6.00
Septage per ton	\$12.00	\$12.75	\$13.50	\$14.25
Tires				
Passenger Tires per each up to 20	\$1.50	\$1.50	\$2.00	\$2.00
More than 20 passenger tires per ton	\$150.00	\$160.00	\$169.00	\$179.00
Truck (semi) per each	\$7.50	\$8.00	\$8.50	\$9.00
Implement/Tractor per each	\$15.00	\$16.00	\$17.00	\$18.00
Heavy Equipment	\$75.00	\$80.00	\$85.00	\$90.00
Mixed Tires and Large Loads per ton	\$150.00	\$160.00	\$169.00	\$179.00
Animals				
Small (Under 200 pounds) per each	Garbage Rate	Garbage Rate	Garbage Rate	Garbage Rate
Large (Over 200 pounds) per each	Garbage Rate	Garbage Rate	Garbage Rate	Garbage Rate
Asbestos per ton	\$60.00	\$64.00	\$67.50	\$71.25
Appliances per each	\$5.00	\$5.50	\$5.75	\$6.00
Special Handling per yard	\$2.00	\$2.25	\$2.25	\$2.40
Minimum Fee	\$10.00	\$11.00	\$11.50	\$12.00
Unsecured Load 1-3 yards	\$5.00	\$5.50	\$5.75	\$6.00
Unsecured Load over 3 yards	\$15.00	\$16.00	\$17.00	\$18.00
Dirt Cover Material per ton	\$9.50	\$10.00	\$11.00	\$11.50
* Rates include State Refuse Tax As Applicable				

FUND BALANCE POLICY

COUNCIL PRIORITY

- Fiscal Sustainability

NARRATIVE

The City of Yakima lacks a formal council-approved fund balance policy, although it has been discussed for many years and the city council has taken the subject seriously and endeavored to steward the assets of the city with care and to improve the reserves over the past five years.

The attached proposed Fund Balance Policy is offered during the budget study sessions to facilitate discussion, for later approval at a regularly-scheduled business meeting of the city council, with any edits that arise from the study session.

Besides being an established best practice of a well-managed city, this policy would add to the policies in place that add to a favorable review of the city's financial oversight and management such as annual audits, credit ratings and bond issuance proceedings.

PROPOSED BUDGET

None

POSTPONEMENT/OTHER COSTS

N/A

BUDGET FUND

N/A

City of Yakima

Policy Number: _____



Department: Finance **Authorized**

by:
City Council

Effective Date: XX/XX/2020

Reissue Date: New policy

Supersedes: N/A (New Policy)

Policy: Fund Balance for General Fund and
Operating Reserve Requirements for Enterprise Funds

I. Purpose

The Fund Balance Policy of the City of Yakima is authorized, approved by, the City Council. The purposes of this Policy are:

- a. To establish reserve objectives and parameters necessary to safeguard public funds entrusted to the City of Yakima,
- b. To articulate City Council's intent for the governance over city finances
- c. To communicate clear policy and strategy guidelines for city financial administration
- d. To demonstrate to citizens, taxpayers and voters a transparent and accountable stewardship plan.
- e. To establish a fund balance target for the General Fund and an operating reserve requirement for the Enterprise Funds.

II. General Financial Goals

- a. To provide a financial base sufficient to sustain municipal services to maintain the social well-being and physical conditions of the City.
- b. To provide a cushion for seasonal cash flow fluctuations, a financial safety net in the event of natural disasters, local and regional emergencies, economic downturns, withstand local and regional economic trauma, and to respond to other unforeseen circumstances.
- c. To maintain available financial resources as a measure of the sound fiscal condition of the primary government fund, for consideration by bond rating agencies when evaluating the City's credit worthiness, and the governing body when making budgetary decisions.

- d. To consider and provide for the needs of future generations in the Yakima community.

The distinction between “Fund Balance” and “Working Capital” comes from Government Accounting Standards which require *modified accrual* accounting for governmental funds and *full accrual* accounting for enterprise funds; this policy addresses each separately. Operating Reserve, or Working Capital, is the primary measure for evaluating continued creditworthiness and budgetary decisions for Enterprise Funds.

III. General Fund's Fund Balance Target:

- a. Target is to achieve and maintain a Fund Balance of at least 16.7% of the Total Expenditures, representing 2 months of annual spending.
- b. Fund Balance equals Total Assets minus Total Liabilities, on the Statement of Revenues, Expenditures and Changes in Fund Balances – Government Funds in the City's Comprehensive Annual Financial Report (CAFR).
- c. Financial Reporting Definitions. Governmental Accounting Standards Board (GASB) Statement 54 distinguishes fund balance classified based on the relative strength of the constraints that control the purposes for which specified amounts can be spent. Beginning with the most restrictive constraints, fund balance amounts will be reported in the following categories:
 - i. **Nonspendable fund balance** – amounts that are not in a spendable form (e.g., inventory) or are legally or contractually required to be maintained intact (e.g., permanent fund principal).
 - ii. **Restricted fund balance** – amounts that can be spent only for the specific purposes stipulated by external parties either constitutionally or through enabling legislation (e.g., grants or donations).
 - iii. **Committed fund balance** – amounts that can be used only for the specific purposes determined by a formal action of the City Council. Commitments may be changed or lifted only by referring to the formal action that imposed the constraint originally (e.g., the council's commitment in connection with future construction projects).
 - iv. **Assigned fund balance** – amounts *intended* to be used by the government for specific purposes. Intent can be expressed by the City Council or by a designee to whom that governing body delegates the authority. (In governmental funds other than the general fund, assigned fund balance represents the amount that is not restricted or committed but by definition, being account for in a separate fund, are intended to be used for the purpose of that fund).
 - v. **Unassigned fund balance** – includes all amounts not contained in other classifications and is the residual classification of the general fund only. Unassigned amounts are available for any legal purpose.

- d. Should City Council determine that it is prudent to mitigate current or anticipated risks (e.g., significant revenue shortfalls, natural disasters, significant economic downturns, or unanticipated expenditures), a budget amendment may be approved by City Council for current-year expenditures that decrease the General Fund's fund balance below target.
- e. During every annual budget review and approval process, City Council shall consider and determine what dollar amount, or percentage of operating expenses, shall be identified in the adopted budget to add to a revenue shortfall reserve for unforeseen future circumstances.
- f. If General Fund's fund balance falls below target, then the next year's budget must include projections of General Fund's fund balance levels to be considered as part of the annual budget process and the budget must include a plan to restore the General Fund's fund balance to target.
- g. Cashflow rationale. The General Fund's principle sources of funds are Property Tax, Sales Tax and Utility & Franchise Taxes. The bulk of Property Taxes are received every year in April and October; Sales Tax and Utility & Franchise Taxes are received more evenly, although with some seasonality. Debt payments are disbursed mostly in June and December.

IV. Enterprise Funds' Operating Reserve Target:

- a. Target is to maintain an Operating Reserve equivalent to 25% of total annual operating expenses.
- b. Operating Reserve is Current Assets minus Current Liabilities, on the Statement of Net Position, Proprietary Funds, in the City's CAFR.
- c. Unlike the general fund, which expenses long-term assets in the period purchased instead of depreciating, much of the asset value in an enterprise fund is not spendable. A large part of an enterprise fund's net position could be fixed assets which is not liquid, not a usable reserve. Whereas Fund Balance is simply akin to subtracting total liabilities from total assets, a Working Capital method of calculating Operating Reserves eliminates long-term assets and long-term liabilities from the calculation.
- d. If the operating reserve is projected to fall below the target, then appropriate action, including rate increases and/or reductions in spending, will be taken to restore the reserve to the target level at the time of annual budget adoption.

V. Reporting and Forecasting

- a. At time of annual audit completion, the Finance Director shall report the General Fund's fund balance and the Enterprise Funds' operating reserves to City Manager and City Council.
- b. Mid-period fund balance calculations prove difficult, due to the cyclical aspect of inflows and outflows, the complex nature of one-time accruals and allocations available and completely only during year-end closing.

- c. At time of budget adoption, the Finance Department and City Manager will include forecasted General Fund's fund balance and Enterprise Funds' Operating Reserves in the material presented to City council prior to budget adoption.

VI. Policy guidance.

- a. The accounting policies of the City of Yakima conform to Generally Accepted Accounting Principles (GAAP) and the City adopts the pronouncements of the Governmental Accounting Standards Board (GASB) as the nationally-accepted standard-setting body for establishing governmental accounting and financial reporting principles.
- b. The city considers best practice advisories (whitepapers) of the Government Finance Officers Association (GFOA) to apply uniform standards and procedures of governmental finance management within the governmental accounting sector to the City's specific circumstances.
- c. The responsibility for designating funds to specific classifications shall be as follows:
 - i. Committed Fund Balance – the City Council, as the City's highest level of decision-making authority, shall establish, modify, or rescind a fund balance commitment by resolution.
 - ii. Assigned Fund Balance – the City Manager or the Director of Finance and Budget may assign fund balance to a specific purpose.
- d. Order of Expenditure of Funds. When an expenditure can be charted to multiple categories of fund balance (e.g., a project is being funded partly by a grant, funds set aside by the City, and unassigned fund balance), the most restricted category will be used first, then the next-most restricted category(ies).